

PARTS MAKERS CRITICAL

This program was attacked by American parts makers who asserted it hurt domestic business by giving a subsidy in effect for the manufacture of parts in Canada and is therefore illegal under current trade agreements. The free trade arrangements was designed to replace it.

The independent parts suppliers, members of the Automotive Service Industry Association, have also criticized the new plan which they say "would deny us free access to the Canadian market" since it requires auto firms to channel as much production as economically feasible to Canada.

Added incentives for manufacturing in Canada are lower labor costs and the low exchange rate of the Canadian dollar.

PLAN SPECIALIZATION

The interlocking of regional plants, already begun in the Detroit-Windsor area in a limited fashion by Chrysler Corp. and the Ford Motor Co., would generally have Canadian plants concentrate on certain parts for both United States and Canadian production.

Thus a Windsor plant now makes all the engines for a certain Plymouth Valiant model made in both countries.

Through such specialization and division of labor, Canadian trade officials here said, Canadian auto producers, most of whom are U.S. subsidiaries, will cut their net trade deficit with the United States and become effectively integrated.

SUPPORTED BY TOWNSEND

Chrysler Corp. President Lynn T. Townsend hailed the agreement as an encouraging step toward the full realization of the kind of economic partnership between Canada and the United States.

[From the Detroit Free Press]

UNITED STATES AND CANADA AGREE TO END MOST TARIFFS ON CARS, PARTS

(By Robert Boyd)

The United States and Canada agreed Friday to form a limited "common market" on new automobiles and auto parts.

The agreement, to be signed by President Johnson and Canadian Prime Minister Lester Pearson at 11 a.m. Saturday at the LBJ Ranch in Texas, will wipe out most tariffs on automotive products between the two countries.

It takes effect as soon as enabling legislation is passed by Congress and the Canadian Parliament. It also applies to trucks, buses, and parts for those vehicles.

The main effect of the agreement will be to permit Canadian auto plants to import American-made cars and parts without paying the present 17½ to 25 percent duties imposed by Canada.

Canadian auto dealers and private citizens will still have to pay duty on American-built cars and parts. The tariff will be erased only for auto manufacturers.

Almost all Canadian car makers are subsidiaries of American firms.

The tariff will be lifted only so long as the Canadian auto plants continue to produce at existing rates or higher.

In turn, American duties of from 6½ to 8½ percent on Canadian-made cars and parts will be abolished.

American auto dealers or manufacturers and private citizens will be able to buy cars and parts duty-free from Canada.

The agreement would mean that Detroiters, for example, could go to Windsor and buy a Canadian-built car, or auto parts, and not have to pay duty to bring the car or parts across the Detroit River.

But Windsor residents who bought a car or parts in Detroit would have to pay the regular duty to bring them back to Windsor.

The purpose of the agreement as stated in a text issued simultaneously at the Texas ranch and in Washington, are:

"To create a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved.

"To liberalize United States and Canadian automotive trade * * * to enable the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries.

"To develop conditions in which market forces may operate effectively to attain the most economic pattern of investment, production, and trade."

U.S. officials said both countries would benefit from the tariff cuts.

The officials said no estimate of jobs that might be added to the Canadian auto industry was available, but there were reports that as many as 60,000 additional workers could be employed.

And it was reported that Canadian subsidiaries of U.S. auto firms had assured the Canadian Government that they would increase annual production by \$250 million over the next 3 years.

Further details of the assurances were described as "commercial secrets."

Congress is expected to demand a full disclosure of the "secrets."

Canada obviously looks upon the agreement as a spur to its auto industry, but some U.S. officials claimed industry employment in the United States should also rise as the total market expands.

Such thinking is based on the theory that a large common market trading area should permit more economical car production and hence increase sales in both countries.

The agreement is also expected to end, or at least soothe, the United States-Canadian controversy over a "duty-remission scheme" which has irritated U.S. auto parts makers.

This scheme involves rebates of Canadian tariffs to Canadian auto makers who increase their exports to the United States. It has been termed illegal and unfair by independent U.S. parts makers who do not have manufacturing outlets in Canada.

Complaints by these parts makers in Ohio, Wisconsin, and Missouri may cause difficulty in Congress when the agreement comes up for passage.

TARIFF CUT CHEERS AUTO FIRMS, UAW

The automotive industry—both management and labor—Friday hailed the announcement of a United States-Canadian treaty eliminating most tariffs on autos and parts.

GM Board Chairman Frederic G. Donner said his firm "will cooperate fully to implement the program and make every effort to assure its success."

Ford Board Chairman Henry Ford II called the agreement "an historic event. I have long believed that the elimination of artificial obstacles to international trade is one of the best ways to promote economic development and to strengthen the ties of friendship and understanding between nations," he said.

Chrysler President Lynn A. Townsend called the treaty "an encouraging step toward the full realization of the kind of economic partnership between Canada and the United States that we all know is possible."

AMC President Roy Abernethy said the consumers and the economies of both the United States and Canada "should ultimately benefit from the long-range effects of programs to eliminate trade barriers between the two countries."

Reuther said the union was "pleased an agreement has been worked out by the United States and Canadian Governments to provide for a common market in automobiles and parts."

Windsor's two biggest auto dealers—each claims to be No. 1—reacted differently to the tariff-cutting announcement.

Burt James, owner of James Chevrolet-Oldsmobile, Ltd., was elated.

"I think it's a terrific thing," he said in his showroom at 917 Goyeau. "It will bring additional people into the car market because of reduced prices. It will make more two-, three-, and four-car families."

Al Sternberg, new car sales manager at Webster Motors, a Ford dealership, saw no such a bonanza.

"Eventually I think you'll get more for your money on cars," he said in his office at 485 Windsor. "But I don't think prices on most cars will come down."

Both said they are convinced Canadians will continue buying their cars in Canada, and Americans will continue buying theirs in the United States.

Sternberg said the new agreement would remove tariffs only for manufacturers and business—an individual couldn't hop a bus in Canada, buy a car in the United States and drive it back home duty-free.

Dealers said that a Chevrolet selling for about \$2,950 in Detroit costs about \$3,300 in Canada.

[From the Kansas City Times, Jan. 16, 1965]

TARIFF ACCORD AFTER LONG FIGHT BY MISSOURIANS

(By John R. Cauley)

WASHINGTON.—The United States-Canadian agreement which will eliminate custom duties on motor vehicles and original parts by both countries climaxes a long and successful fight on discrimination against American manufacturers in which two of the leading participants were Senator STUART SYMINGTON, Democrat, of Missouri, and Jack F. Whitaker, president of the Whitaker Cable Corp., of Kansas City.

The agreement is expected to be signed today at Johnson City, Tex.

"Naturally I am very grateful to the President for carrying this matter through to a conclusion," SYMINGTON said last night. "The proposed agreement should result in holding many thousands of jobs in Missouri."

Senator SYMINGTON expressed some concern that replacement parts were not included in the agreement, but said he had assurances the matter would be considered.

GROWTH OF FLOW

Last year Whitaker, as chairman of an industrywide committee, wrote President Johnson that due to the Canadian tariff rebating plan the Canadians were shipping motor car parts into this country at the rate of \$50 million a year—six times what they were shipping 2 years ago.

Whitaker said the Canadian intent, which they openly expressed, was to obtain 60,000 jobs for Canada at the expense of American labor.

The Kansas Citian asked the President to order the Treasury Secretary to place countervailing duties on the importation of Canadian parts.

SYMINGTON said Whitaker brought the Canadian manipulation to his attention about 2 years ago and predicted what would happen unless something was done.

"His prediction turned out to be only too right," SYMINGTON said.

STUDEBAKER IS CITED

The Missouri Senator added that "when the Studebaker Corp., a prominent customer of Whitaker, saw the handwriting on the wall, it decided to move its entire assembly operation to Canada."

SYMINGTON said he immediately took the issue to the proper Government agencies and later as a member of the Canadian affairs subcommittee obtained a hearing to investigate the tariff question.

American officials said last night that the trouble began in 1962 when Canada initiated a program under which automobile companies operating in Canada were

allowed to have the benefit of tariff-free treatment on certain car parts through the technique of tariff rebates, in return for increased exports of cars or parts.

This Canadian program was challenged by Whitaker and others in the industry as being contrary to a section of our basic tariff act concerned with foreign bounties or grants on exports to the United States.

TRADE WAR SEEN

Their request for countervailing duties by the United States as a counteraction was not granted because, as officials explained, it was believed this would have set in motion a chain reaction of retaliatory protective measures and a trade war would have developed.

Instead, the United States and Canada began discussions in an effort to bring peace. The result was the agreement announced yesterday.

Officials said the tariff rebate scheme which was at the root of most of the complaints will be dropped by Canada, probably on Monday. They said the replacement-parts issue was not included because a study is needed to determine its impact on many small firms.

Officials said the principal concern of the Canadians was whether their car industry could exist in the face of the concentration of absentee American ownership. Officials said because Americans and Canadians live side by side and are big customers of each other an agreement to end a potentially disastrous trade war was imperative.

They said that some dislocations would occur in the parts industry with perhaps some American parts factories moving to Canada and some Canadian factories to the United States.

In Kansas City, Jack F. Whitaker said last night, "I think this is a major step in United States-Canadian relationships, and if we are capable of taking care of ourselves competitively, it should work out to the best for both countries."

Whitaker's company, which is at 13th and Burlington Streets in North Kansas City, supplies electrical wiring to all U.S. motor-car makers except General Motors Corp., and employs about 1,000 persons here.

The trade pact is especially beneficial to Missouri, Whitaker said, because it is the second largest assembler of motor-cars in the United States.

"Without the agreement we would have had to put a plant in Canada to increase services and cut costs," Whitaker said. "It is still possible we may have to move part of our operation to Canada, but not nearly as probable as before."

HOW AND WHY WE GOT INTO VIETNAM

Mr. HARTKE. Mr. President, even to those of us who lived for a long time with the problems of our involvement in southeast Asia, the complex history of the past 11 or 12 years there is not in our minds in a clear and orderly fashion.

But that story has been told, clearly and succinctly and with the history compiled for the understanding of every reader, in an excellent article which appeared in the December issue of the American Legion magazine. The article is entitled "The Long Struggle in Vietnam" and it was written by Gerald L. Steibel.

Mr. Steibel's review of the history makes clear how and why we got there. He relates the manner in which our policy there is connected with what happened in the Korean war, and how our involvement began as early as 1953 be-

fore the French were entirely out of what was then Indochina. He discusses the world situation as it existed, and the elements of our own foreign policy which dictated the measures we have taken.

Because this seems to me, Mr. President, perhaps the most enlightening single summary I have seen, and the most comprehensive, setting forth this background of history and policy, I ask unanimous consent that it may appear following these introductory remarks, as a part of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LONG STRUGGLE IN VIETNAM

(By Gerald L. Steibel)

(In Korea we fought a huge war to contain communism on Red China's north. It was barely over when the French left a vacuum for the Reds to fill, if we'd let them, in Indochina to the south. Here, in all its strange detail, is the complex history of our first 11 years of meeting in Indochina the challenge we accepted in Korea—the how and why of our involvement in Vietnam and Laos.)

In 1964, the United States had spent about 10 years and \$3 billion defending Laos and South Vietnam from Communist aggression; and by ones, twos and threes, Americans in uniform had died and were still dying there. Yet 6 out of 10 people here at home told the Gallup poll that they didn't know what was going on there. Of the four who said they did, only one had any opinion on what ought to be done, and he was half for getting out altogether, half for getting in further.

It is not surprising that so many people are unsure about their grasp of the Vietnam situation. The Indochinese Peninsula is strange country to most Americans. Until recent years, Indochinese world problems were French, not American, worries. Before the present dilemma evolved, we had no background or tradition there.

Even the few familiar place names have changed. The entire region has no well-known, traditional name. It's just southeast Asia, a land mass hanging down from the southeast corner of China. It has a fat upper peninsula—Indochina—where Vietnam and the other areas of acute present concern are located; and a long, slim lower part known as the Malay Peninsula. Our maps show the divisions, and trace the name-changes. Siam is still on the map, but now it's Thailand. The maps show how Laos, Cambodia and Vietnam came into being out of French Indochina. Then, in the Geneva agreement of 1954, Vietnam had a line drawn straight across it—the "cease-fire line of July 1954"—dividing it into North Vietnam (Communist, with the seat at Hanoi) and South Vietnam (non-Communist, with the capital at Saigon). The hottest problem today arises from guerrilla and political activity in South Vietnam, chiefly flowing from North Vietnam, now a political arm of Red China. Broad U.S. policy is aimed at keeping communism north of the line in Vietnam, and preventing Laos and Cambodia (as well as Thailand, Burma, and Malaya) from falling lock, stock, and barrel into the Communist orbit.

All the events in the area are actually all of one piece, with respect to both free world and Communist policy, but they are complex and confusing to the man in the street in the United States because several different countries with different leaders, and different Communist and other opposition factions are involved. On top of that, within each country old local antagonisms, interests, and factions are jockeying for position in the big battle between East and West.

Before World War II, Laos, Vietnam, and Cambodia had been one French colonial area—French Indochina—for nearly a century. In World War II the Japanese moved in. When they left, after loss of the war in the Pacific, France returned, but her old ascendancy was shaken. The Japanese had proved that France, now weakened by the war in Europe, need not be all powerful there. V-J Day had hardly dawned in 1945 when the Annamese, one of the dominant people of Indochina, were in revolt. Other natives throughout the provinces of Laos, Cambodia, and Vietnam joined the agitation, organizing and fighting for independence. Different groups had different long-term aims, especially the local nationalists and Communist-organized groups. The nationalist groups sought permanent independence as an end; the Communists sought independence as the first step toward delivering the whole peninsula into the world Communist camp. But they were united on getting rid of France.

The Indochinese war for independence from France was successful, culminating in the terrible defeat of the French at Dienbienphu in 1954. In the settlement with France after her defeat, the three territories became the new independent nations of Laos, Cambodia, and Vietnam. Meanwhile, also as a result of the post-World War II power vacuum and the failure of U.S. policy to maintain Chiang Kai-shek in China, all of mainland China went Communist in 1949. It became the seat of Communist power in Asia, bent on making all Asia Communist. U.S. policy stiffened against this. By the time the French were out of Indochina, the United States had wound up the bloodbath of the Korean war in conjunction with the U.N. in a major expression of its determination to block further Communist expansion in Asia.

Very broadly, our present involvement in the whole Indochinese area is our Korea policy all over again, applied to the area south of Red China as Korea applied it to the northeast. The events in Indochina can be compared with those in Korea as an effort to achieve the same containment of communism that we achieved in Korea while avoiding, if possible, a major war on the Korean scale of 1950-53, or greater.

The beginning of U.S. involvement in Indochina came in 1953, even before France was entirely out. The well-organized Communists, aided by Red China, were hell-bent to turn the coming independence into Communist captivity. They were strongest in Northern Vietnam, closest to Red China, and in Laos where a second Communist force, the Pathet Lao, controlled an island of territory in the northern part of the country. It seemed that the militant and better organized Communists, with powerful outside aid, would carry the day.

While France still held out, China and Russia had been warned by the United States, in September 1953, not to try to overrun the French colonies. This, the United States said, would have "grave consequences which might not be confined to Indochina." That was a part of the late Secretary of State John Foster Dulles' "brink of war" policy. In 1954, President Eisenhower considered U.S. military intervention to save the French at Dienbienphu. On April 8, he said the rest of Asia "would fall like dominoes" if Indochina went Communist. But in the fight against the French, the Indochinese were together. The United States would be attacking the freedom-seeking forces as well as the Communists, so intervention to save the French was out of the question.

The French defeat led to an international conference in Geneva, Switzerland, called by Britain and the U.S.S.R. Geneva agreements signed June 21, 1954, drew the cease-fire line across Vietnam. This line gave half of Viet-

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nam's 126,000 square miles to the new Communist "Democratic Republic of Vietnam"—built around the powerful Vietminh armies. The Geneva agreements were supposed to prevent civil war and they scheduled a "permanent settlement" to be arrived at by "all-Vietnam" elections in July 1956. The agreements were to be policed by an international commission, but they had little more effect than to consolidate the Communist control of North Vietnam, making it an internationally recognized haven out of which they could later operate south of the line with political agitation and guerrilla warfare. Though the United States did not sign the agreements, its representative, Gen. Bedell Smith, issued a statement saying it would not interfere with them.

Washington now faced its first big decision: to back out quietly and by degrees permit the Communists to complete their conquests by political means, or to commit itself to trying to maintain the freedom of the new nations.

Most foreign diplomats in the summer of 1954 gave Laos and South Vietnam no more than 6 months to a year before the Communists would take over, and Washington was very much inclined to concur. In the proposed all-Vietnam elections of 1956, Communist North Vietnam would come in with over 17 million people to South Vietnam's less than 14 million. It also had most of the industry, and the whole region was in the middle of Red China's own front yard.

Some quarters in the Eisenhower administration, particularly in the French section of the State Department, urged withdrawal. They were influenced by the French Government's view that Indochina could not be saved from the Communists, and that the best deal obtainable would be a Red promise to respect the neutrality established by the Geneva accords. This was the French Government's position more than 4 years before Gen. Charles de Gaulle returned to power and adopted the neutralization policy as his own policy.

Other U.S. voices argued differently, among them Senators Mike Mansfield and John F. Kennedy, Gen. William J. Donovan, and Francis Cardinal Spellman. Together with officials of private refugee-aid organizations, they urged that help be given to the new Premier of South Vietnam, Ngo Dinh Diem, appointed 2 weeks before the Geneva agreement. They insisted that Diem, a staunch anti-Communist who had spent many years in the United States, could save his beleaguered country if he were helped.

The administration sent some economic aid in August 1954, but wrestled with the larger question of permanent policy until late in the fall. Even as Gen. J. Lawton Collins prepared to go to Saigon as President Eisenhower's special representative, Washington was still leaning toward a pullout. But the pro-Diem advocates finally prevailed and Collins was ordered to make a definite U.S. commitment.

The first commitment was small and limited primarily to economic assistance. The United States was then setting up the next fallback position in Asia, pinned to the Pakistan-Thailand-Malaya-Philippines arc, and embodied in the then new Southeast Asia Treaty Organization (SEATO) established at Manila in September 1954. Dulles induced SEATO to give Laos, Cambodia, and South Vietnam one-way guarantees against Communist invasion from North Vietnam. (The Geneva treaties forbade offering them membership in the alliance itself.)

Though there was little appreciation of what really lay ahead, this hesitant commitment was a historic decision for the United States. From there on, no withdrawal would be possible without great loss of "face." With that, the first stage of U.S. involvement was over.

The second stage lasted for 3 years, until the beginning of 1958, and it was deceptively quiet. Convinced they could not overrun Laos or South Vietnam, the Communists now reverted to the slower tactics of infiltration and buildup, concentrating on Laos. With the breathing spell thus offered him in South Vietnam, and with substantial U.S. economic and military aid, Ngo Dinh Diem began to vindicate the faith of his American supporters.

To begin with, Diem received a big psychological lift when almost 900,000 Vietnamese "voted with their feet" and left the Communist North to come South in a 300-day period provided by the Geneva accords. (Only a trickle elected to go North.) This jolted Red "popularity" claims throughout Asia, although 900,000 new citizens added to Diem's economic problems.

Second, he moved immediately and vigorously to assert his control over the army. That secured, he cracked down hard on religious sects which had their own private armies, like the Cao Dai and the Hoa Hao. These had long defied all efforts by the French to curb their power. Diem also broke the power of the Binh Xuyen, a "syndicate" that ran the country's commercialized vices such as narcotics and prostitution, and which terrorized businessmen and peasants into submission to it.

Then, on October 23, 1955, Diem called a referendum which ousted the playboy king of South Vietnam, Bao Dai, and made Diem chief of state. A Republic of South Vietnam was proclaimed on October 26, with Diem as its president. Next year, a constitution was adopted and a measure of political stability was finally achieved in the country. (The "all-Vietnam" elections, slated for 1956, were simply never held.) "All-Vietnam" was by then really two countries, one Red, one free.

To the further satisfaction of his American allies, Diem turned his attention to his shattered economy. In the next 5 years, 140,000 landless peasants received their own farms in a program a former U.S. Agriculture Department specialist, Wolf Ladejnsky, helped design and oversee. Diem rebuilt the transportation system; rice and rubber production climbed above prewar levels; and a base for national industrial growth was erected. School enrollments and teaching staffs were tripled and almost 3,000 medical aid stations and maternity clinics were opened.

The contrast with Ho Chi Minh's Communist North Vietnam was painfully clear. Though the Reds had inherited a much larger industrial plant when Vietnam was split, their estimated gross national product was only \$70 per person by 1961, as against \$110 in the free south. And, while per capita food production dropped 10 percent in the north after 1956, it went up 20 percent in the south.

Finally, the United States continued to help train and equip the South Vietnam armed forces to meet the invasion from the north which was still believed to constitute the main danger.

American gratification with events in South Vietnam was tempered by the gloomier picture in Laos. From the start, the Communist Pathet Lao military forces violated the Geneva neutrality stipulations. Men and arms were brought in from North Vietnam, and the Pathet Lao maintained a virtual state-within-a-state in Laos' northeastern Provinces of Samneua and Phongsaly. Repeated appeals for help by the Royal Lao Government to the International Control Commission proved fruitless. The Commission, set up at Geneva to police the agreements, was made up of a Communist Pole, an Indian, and a Canadian member. Neither the Pathet Lao nor the Polish member would permit it to function.

Despite the Laotian troubles, there were no major crises or decisions in the years 1955-58.

Indochina disappeared from the headlines, which were taken over by the East-West good will summit meeting at Geneva in 1955, the Polish and Hungarian uprisings in 1956, and the first Soviet sputnik space vehicle launching in 1957.

In 1958, the Indochinese calm began to disintegrate and the second stage gave way to a third, filled with alarms and crises and culminating in two further major U.S. decisions 3 years later, in 1961.

The first alarm went off in Laos. In November 1957, the refurbished Pathet Lao set itself up as a party and pushed its way into the neutralist government of Prince Souvanna Phouma. The United States, which had been giving Laos about \$50 million a year, declared it was "seriously concerned" by this event. It said that letting Communists into the government was a "perilous course" for Laos. By 1958, Washington had become very worried over what the Communists might accomplish in organizing other leftwing elements for the assembly elections set for 1959 in Laos.

To counter the Communist weight, the United States now threw its support to an army-based group there headed by Gen. Phoumi Nosavan. A rapid buildup of his forces followed, and by December 1958 they were in open skirmishes with the Pathet Lao in the northeast. In February 1959, the Laotian Government denounced the Geneva agreements as having been robbed of meaning by the Communists. The United States approved the denunciation and prepared to send a military mission to Laos—a move the Chinese and Vietnamese Communists attacked as an American plot to restore imperialism to all Indochina.

At first, General Phoumi seemed to be the answer Washington was looking for in Laos, perhaps a leader as good as South Vietnam's Ngo Dinh Diem. In December 1959, Phoumi drove the Communists out of the Laotian Government. But his 50,000 U.S.-trained and U.S.-backed troops proved unable to defeat the 18,000 Pathet Lao and their instructors operating out of the North Vietnam sanctuary. A new crisis in Laos rapidly approached.

In August 1960, Phoumi himself was ousted by a rebel officer named Capt. Kong Le, who declared his loyalty to the neutralist premier, Prince Souvanna Phouma. Immediately, the Pathet Lao military threat erupted into what looked like the start of a complete takeover. In September 1960, the United States repeated the warning of 1953 against a military conquest of Laos. But this time it sent a carrier force into the South China Sea, including 1,000 combat-ready Marines.

This assertion of U.S. willingness to use its military held the Communists in check, but the settlement for Laos of 1954 was hopelessly shattered. In December, Phoumi once more came back into power, but the neutralists now set up their own government in the south, and Laos was in effect split in three parts, with Phoumi's pro-Western official government sandwiched between Communists and neutralists.

Meanwhile, South Vietnam, too, had come under the Communist gun, in spite of the 1954 cease fire. In 1958, Ho Chi Minh's radio in North Vietnam announced that the Communists would mount a major campaign against the Diem regime. A virulent propaganda offensive tore at Diem's American "imperialist" sponsors, and Red guerrilla fighters known as Vietcong appeared in South Vietnam. They were led by tough cadres trained in North Vietnam and supplied with weapons and material originating in Moscow and Peking, and transported through North Vietnam and northeastern Laos over what came to be called the Ho Chi Minh trail through the jungles.

The Vietcong offensive hit the Diem government at one of its most sensitive points: the increasingly personal rule of Diem and

his brothers, particularly Ngo Dinh Nhu. (Note that what we call the first name is the last.) By 1958, the Ngo Dinh family had replaced or stripped of power most of the old leaders. Nhu was head of a strong security police, which had learned many lessons from the Communists. His wife, Madame Nhu, wielded great influence behind the scenes, particularly in propaganda and cultural affairs. Diem's two brothers, Catholic Archbishop Ngo Dinh Thuc and Ngo Dinh Can, controlled political power levers in the north. Diem, a cautious and suspicious man, trusted no one except his own family. Under him they built a formidable ruling machine that brought cries of outrage from the better educated South Vietnamese—and from many quarters in the United States. As the Vietcong stepped up their attacks, the stern measures of the Diem government increased.

By June 1960, assassinations by Reds were taking place at the rate of 2 to 10 a day. In 1 year alone, 3,000 South Vietnamese civilians were killed and 2,500 kidnapped. Red insurgent organizers, many of whom had come in with the 900,000 refugees 6 years earlier, were persuading and forcing South Vietnamese peasants to give them havens. Many had family ties in the countryside and the cities, and they exploited them to the full. A front for the liberation of the south, inspired and backed by Hanoi, the capital of Communist North Vietnam, added to Diem's burdens by calling for the departure of the Americans and their puppet Diem.

In the South Vietnam countryside, the Vietcong grew bolder, too. Its guerrillas attacked in force, sometimes with as many as 500 men. When pursued by government troops, they often fled into Laos or Cambodia as well as North Vietnam. Prince Norodom Sihanouk, Cambodia's leader, denied that his country was a privileged sanctuary for them, but Sihanouk was a declared believer in the ultimate victory of the Communists and in the necessity to come to terms with them before that happened. He neither defended nor impounded the rebels, so to all practical intents Cambodia was a sanctuary.

The year 1961 opened with both Laos and South Vietnam showing signs of impending collapse. For the United States it was to be the year of decision in southeast Asia—and the year when it finally recognized what its decisions really meant.

On January 6, Khrushchev made what Secretary of Rusk later called "one of the most important speeches on Communist strategy of recent decades." In it, Khrushchev said world nuclear wars and large-scale "conventional" wars were too dangerous for the big powers to risk. But "wars of national liberation" were different. Naming Vietnam specifically, he said, "It is a sacred war? We recognize such wars."

The incoming Kennedy administration read this speech with the deepest interest, deriving these three major clues from it: (1) Khrushchev's split with Communist China had now widened to the point where he was ready to put a virtual ban on big war, in defiance of Peiping's insistence on more risk taking; (2) the price the West would have to pay was more sublimated wars of insurgency; (3) the Laos-Vietnam insurgency would get much more intense, with both Moscow and Peiping behind it, though disagreeing over the degree of intensity.

Khrushchev later spelled all this out in detail for Kennedy when they met at Vienna in June. He and the U.S. President did agree that Laos could drag both of them into a world war neither wanted, and that some kind of limitation had to be placed on it. Kennedy came home calling this a "sombre" meeting.

With the Laos situation in turmoil and the Communists convinced the United States would probably come in to stop a final vic-

tory, it was time for them to revert to their classic 1954 maneuver—a new, 14-nation Geneva conference. The Peiping, Vietnamese and Laotian Reds went to it to get at the bargaining table some of what they could not claim in the field. The United States went also—to stave off the old, nasty choice of (1) a major land war in Asia or (2) a Communist sweep.

The new conference met in Geneva on May 16, 1961, and wrangled for the next 15 months, while the three Laotian factions battled in the field for positions of advantage in the ultimate settlement. Before it could forge new agreements, the United States was faced with far more serious problems in South Vietnam.

Throughout 1961, the Diem forces strove to meet the Vietcong challenge, but by the fall it was obvious they were falling badly. Diem called on the United States for additional help, and President Kennedy sent Gen. Maxwell Taylor to Indochina to review the entire situation there.

Taylor's findings were a landmark. He reported the lack of everything from proper equipment and weapons to understanding the nature of the war itself. In effect, Taylor said the South Vietnamese were trying to meet a skillful and effective Communist insurgency with arms, organization, and doctrine designed for an altogether different kind of conventional war. Though his criticisms necessarily fell most heavily on the South Vietnamese, they implied an indictment of U.S. past involvement for the failure to see the changed nature of the war. He recommended an immediate and vast stepup in U.S. help, especially in the categories of men and materiel needed for counterinsurgency operations.

Taylor's recommendations were adopted with little hesitation, and a flood of American men, money, and equipment began to flow into Saigon, South Vietnam's capital, in 1961. In the next 2 years, U.S. personnel increased from a few hundred to over 12,000. Our spending there rapidly shot up to almost half a million dollars a day.

The United States has now passed over the most important watershed since the Korean war: its acceptance of the Communist challenge of liberation war. The Communist challenge of conventional war has been met in Korea; the Communist challenge of nuclear war would be met in Cuba a year later. In Indochina we accepted engagement on the third level of Communist revolutionary war, the sublimated. This was the last chance for the United States to get out without total disaster to its international prestige. It was not taken.

Sending 12,000 Americans to Saigon meant that the United States would accept the conflict even if it stepped up to general war, and communicated to the Reds in advance that they could run into overwhelming force.

But the United States emphasized that it was not taking over the war. President Kennedy said, later, "It is their war [South Vietnam's]. They are the ones who have to win or lose it."

The State Department took pains to tell the Communists that "the U.S. measures are not a threat to North Vietnam but are merely a response to the Communist assault on South Vietnam." The measures were, in other words, not a rollback of Communist power, or liberation of North Vietnam from Red rule, but a move to stop Red expansion.

Thus began our full commitment in Indochina. The first effects were felt in Laos in the early spring of 1962. While the 14 nations still sat in Geneva dueling verbally, the Pathet Lao once more attacked the stability of Laos with arms, driving the government forces westward toward the Mekong River boundary with Thailand. At the same time, Red guerrillas brought Thailand under threat with attacks in northeastern Thailand, backed by arms slipped across the Mekong

from Laos, while a free Thai radio propaganda campaign spewed out of Hanoi.

On May 15, 1962, the United States moved 5,000 troops into Thailand and made clear they would respond if the Pathet Lao tried to reach the Mekong. This plain threat by the United States to make it "our war" worked, and the Communists switched back to the bargaining table. The long-deadlocked Geneva Conference came to a quick new agreement on June 12, 1962. It set up a Lao Government which included all three of the warring factions—Communist, free and neutral—and, in theory, reaffirmed Lao neutralization. In July, U.S. troops began leaving Thailand, and Laos went back to an uneasy truce punctuated frequently by new clashes between the Communists and government neutralist troops.

Criticism of the new U.S. commitment grew from two directions at home. Senator WAYNE MORSE decried our stepped-up participation and said it would lead to a head-on clash with China. He called Diem a "tyrant" and said that his kind of rule made victory against the Reds impossible and that the United States was making "a great mistake in South Vietnam." Columnist Walter Lippmann went further, describing the original commitment in 1954 as an error and saying the United States should admit it and withdraw.

From the other direction, Senator THOMAS DONN said the commitment was not enough, that coalition governments in any country between free and Communist factions were open invitations to eventual Red takeover. Others pointed out that as long as Red power was intact in Laos, in the form of the Pathet Lao, it would feed the revolt in South Vietnam and that therefore U.S. withdrawal from Laos would be inconsistent with its growing involvement in South Vietnam.

Administration spokesmen admitted that the Laos agreements are fragile at best, but defended them as the best obtainable under the circumstances. President Kennedy said, "We've got a very simple policy in Vietnam . . . we want the war to be won, the Communists to be contained, and the Americans to go home." The point, as he further emphasized, was that "we are not there to see a war lost."

The dispute went to crisis point in 1963. In May, Diem's police fired on demonstrating Buddhists in the northern South Vietnam city of Hue, and riots spread throughout the country as students protested and monks burned themselves in public. The Kennedy administration fought off demands that the United States abandon southeast Asia, while bringing strong pressure on Diem to reform his methods of rule. The dissension over whether to back Diem or try to oust him reached all the way into the U.S. mission in Saigon.

Before a showdown could be reached, Diem was overthrown and assassinated by a junta of 16 South Vietnamese generals, on November 1, 1963. This got Washington off the worst part of the hook, but the disappearance of the Ngo Dinh family from power did not solve the prime question: How could any South Vietnamese Government long survive in a war which had no apparent end? This was a point Maj. Gen. Nguyen Khanh, who took over the junta rule of South Vietnam on January 30, 1964, pressed on his U.S. allies. Throughout the spring of 1964, while the Communists in both Laos and South Vietnam stepped up the pace of their attacks, Khanh urged on the United States the need for carrying the fight to the enemy.

In March 1964, under President Johnson, another 1,500 U.S. military men were sent to Vietnam, raising the total to 16,500. Though it was carefully explained that these were advisers, the move unleashed speculation that the war was about to be widened. On April 26, Secretary of State Rusk made a deliberately vague reference to military actions against North Vietnam and said, "This

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course of action—its implications and ways of carrying it out—has been carefully studied."

Further well-advertised American hints that some kind of initiative against North Vietnam was under consideration followed. In June, top-level U.S. military and civilian leaders met at Honolulu and new stories of impending strikes against North Vietnam were leaked. Next, U.S. reconnaissance planes appeared over Red-held territory in Laos, and the U.S.-trained Royal Laotian Air Force also went into action. On June 11, six U.S.-built jets bombed the Pathet Lao base at Khang Kay, in Laos, while the United States denied they had U.S. pilots.

In July, the movement of 5,000 more American troops into South Vietnam was announced, and U.S. spending increases were projected over the \$700 million level for fiscal year 1965. Maximum publicity was given these facts, too.

It was now the Communists' turn to worry, especially the North Vietnamese. From China and Russia came the demand for a new conference of the 14 nations that signed the 1962 Geneva agreements. France, as well as many neutrals, backed this demand, while in the United States 5,000 college professors called for a neutralized Vietnam and pacifist groups circulated an open letter from North Vietnam leader, Ho Chi Minh, asking the American people to force their Government to negotiate with him.

The United States refused to entertain the conference idea, saying that it would only serve to "ratify the violations" of the existing treaties the Communists had committed. The buildup went on, with South Vietnam's General Khanh adding new tension when he declared in July that his government felt free to carry the war into North Vietnam on its own.

Amid a welter of speculation about just what action would be taken, a clash between United States and North Vietnamese warships took place in early August. Part of the new posture of the United States now became clear.

U.S. planes struck at North Vietnam bases, destroyed PT boats, bases and oil facilities. This was the first organized military blow by the United States against Communist territory since the Korean war. It was followed by an immediate augmentation of U.S. forces in southeast Asia in readiness for any counter blow of any size.

President Johnson went on the air as the strike was beginning to assure the Communists that this "response will be limited and fitting." He emphasized pointedly, "We still seek no wider war." Publicity was given to Ambassador Taylor's notification of General Khanh that his call for an extension of the war was against present U.S. policy.

For the first time in the long Indochinese struggle, too, the two sides had exchanged roles. It was now the Communists who had to decide what response to make—or whether to respond at all—and the United States which had the initiative. Nor would this be the last such time, said President Johnson on August 8. The air and naval action in the Gulf of Tonkin, he announced, applied more broadly to "aggression in southeast Asia as a whole." This threatened the "privileged sanctuary" in North Vietnam and the Red-held areas of Laos, where Red forces could rest and plan new forays between strikes.

To sum up where the United States stood in the fall of 1964:

The range of our responses to the Communist "war of liberation" had been widened.

New risks considered to be "manageable" were taken. They could lead to more general war, but the belief was they would stay within the confines of limited war, and would help produce that effect.

Though the scale of combat had risen appreciably, what had escalated enormously was the U.S. commitment in the intangibles: will, prestige, determination. The United States was now fully immersed in the kind of political-psychological-military war the Reds had made their own specialty, in which the intangibles were often the most important stakes.

Late this fall, General Khanh stepped out in favor of a civilian government under Tran Van Huong, former Saigon mayor. Then, after the Vietcong attacked a U.S. bomber base, rumors were rife of sterner U.S. action.

As these words go to press the last chapter is not written, but the struggle in Indochina is seen as an extension of our Korea policy to hold Red colonialism where it is in Asia while, unlike Korea, avoiding any bigger military commitment than is necessary. It is a neat trick to win any struggle with the minimum possible involvement. The Communists have done it many times. In Vietnam today we are witnessing our own first big attempt to walk that tightrope.

SAMUEL L. HAMMERMAN

Mr. TYDINGS. Mr. President, I rise today to call the attention of the Senate to the passing of an outstanding Marylander and a fine American.

Samuel L. Hammerman gave the highest kind of service to the welfare of the general public. As a successful businessman, he could have rested on his many laurels in the field of real-estate development. But this was not the way of Sam Hammerman. At age 70, he accepted the responsibility of chairman of the State Commission of Forests and Parks in Maryland. On the day of his death, he presided over a meeting of that group.

Under his compassionate and creative direction, Maryland parks have grown in their utility to people, while remaining true to the highest standards of conservation. Sam Hammerman was a man who bought a piece of property, spending more than \$1,000 to save a tree doomed to destruction, a tree which is still growing.

The bill to establish a national park on Assateague Island, of which I am a cosponsor with my colleague, Senator BREWSTER, is, at least in some part, a monument to his foresight and courage as a creative conservationist. I am sure that no finer tribute could be paid to this wonderful man than the establishment of a national park on Assateague Island.

Maryland and the Nation are truly poorer for his passing.

I ask unanimous consent to have printed in the RECORD appropriate editorial comment from the Baltimore Evening Sun and the Baltimore News American of January 20, 1965.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore (Md.) News American, Jan. 20, 1965]

SAMUEL L. HAMMERMAN

The community mourns Samuel L. Hammerman, who gave so much of himself to its betterment.

Mr. Hammerman, who was a successful realtor in his business life, made contributions in so many different fields of civic endeavor that it is difficult to single out his most outstanding.

High among his accomplishments, certainly, rank his leadership in the affairs of the Advertising Club, of which he was the founder and a former president; his years of service on the city park board, during which he was at the forefront of the successful drives for the erection of Memorial Stadium and the upgrading of the city zoo; and his successful chairmanship of the State commission on forests and parks, which he headed at the time of his sudden death.

This friendly, outgoing man made his presence felt in everything he undertook. The Advertising Club in its present form is largely his creation—and the plush, glittery style which has made the Ad Club Award Banquet a sellout every year, attracting the top names in the city's political, commercial, and civic life, is due to his verve and enthusiasm.

"In many ways Sam Hammerman was Mr. Baltimore himself," Mayor McKeldin recalls. "For he understood deeply and was an integral part of our city's aspiration, personality, growth, and municipal pride."

In paying homage to this outstanding citizen, we can do no better than to repeat a tribute paid to him a dozen years ago by the Jesuit priest, the Very Rev. Edward B. Bunn, at a testimonial dinner. It was brief and to the point: "The fulcrum of Sam's successful life has been his unabashed love of mankind."

[From the Baltimore (Md.) Evening Sun, Jan. 20, 1965]

S. L. HAMMERMAN

For a leading businessman to enter public life as a member of one or more advisory or regulatory bodies is far from difficult; the job often seeks out the appointee. What can come hard is for the businessman to reorient his outlook, putting the public interest ahead of the private or commercial considerations. An example, indeed a model, of the successful changeover will long be available to Baltimoreans and Marylanders in the career of the late S. L. Hammerman. A man whose profession was the development of residential real estate, Mr. Hammerman went to work, when named head successively of the city's park board and the State's commission for forests and parks, to advance the public's cause.

Outstanding instances of such action on the part of Hammerman-led boards included the defense of Druid Hill Park against an attempt to locate the civic center there, ardent support of the effort to bring about Federal acquisition of the full Maryland length of Assateague Island and, within recent days, the rebuff of an executive attempt to allow destructive strip mining on a stretch of State parkland in western Maryland. A gregarious man and a driving force whose death will be mourned also at Advertising Club banquets and in interfaith programs, Sam Hammerman could count many achievements, and not least among them a role as a distinct part of the flavor or color of the city's collective personality.

WYOMING'S UNEMPLOYMENT COMPENSATION LAW

Mr. MCGEE. Mr. President, the Reader's Digest, in its January 1965 issue, presented its readers with what it termed "a case study of unemployment-compensation abuse—and its cure."

The article about the State of Wyoming and its unemployment compensation law was a broadly embroidered one, based on only bare threads of truth. The Wyoming Employment Outlook, a publication of the Employment Security

Commission of Wyoming, gives a different outlook on the situation. It sets the record straight.

I ask unanimous consent that the Employment Security Commission editorial in reply to the Reader's Digest article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

READER'S DIGEST STRIKES AGAIN

The Reader's Digest has once more zeroed in on its favorite target, the Bureau of Employment Security. In its latest issue, the magazine has chosen Wyoming's unemployment compensation law for its attack. The story swarms with villains (the bureaucrats) and white knights (three special-interest group technicians), and the fight ensues.

The technicians, according to the story, became unemployment insurance experts practically overnight. They snatch a "hoop and holler" victory from the bureaucrats by virtue of an early morning breakfast with two members of the State legislature. The hoop and holler victory even with the two members voting for the proposals, would have meant a margin of one vote for the proposals.

The Reader's Digest intentions become quite obvious when one reads the advertisement displayed in local Wyoming papers. Its ads are even more sensational than the story itself. Quoting from one such ad: "Wyoming tightens up on 'happy time' money. Freeloaders were coming from as far away as California. Anybody who refused to work could sign up for unemployment compensation—even convicted criminals. Then the public woke up."

The inference of the ads and the story is that any out-of-State worker who comes to fill available jobs in Wyoming, does so for the sole purpose of becoming qualified to draw unemployment compensation from the Wyoming fund and thus, have a "happy time."

During the construction time of the year, Wyoming never has enough workers within its borders to fill all the jobs available. The contractors know this and offer the enticement of good wages and working conditions to encourage the migration of the right kind of worker. This is what brings these workers into Wyoming, not the promise of a good time at the "trough" of public funds, as the magazine suggests.

The article emphasizes the fact that some workers can earn as little as \$375 and become eligible for "happy time" money. The article does not mention that on this bare minimum of wage earnings, the benefits would have been \$10 a week for 12 weeks. Nor does it mention that the average weekly benefit for all claimants is only \$35.

Most of these workers who come into Wyoming to work on construction and other outside type jobs can, while they are working, earn at least four to five times this amount and would find it difficult to have a "happy time" on such a reduced rate of earning.

The ad said that anybody who refused to work could sign up for unemployment compensation. This, as with many of the statements made by the magazine, has a thread of truth. The law states that the commission cannot refuse to accept an application for compensation from anyone. However, they must qualify for entitlement and meet eligibility tests. A refusal to work would result in a denial of payments of benefits.

In the past, many experts have taken the magazine to task and have exposed their blasts at the Bureau of Employment Security for what they are: illogical assumptions based only on threads of truth.

The experts' answers were printed in publications with a circulation of thousands. The Reader's Digest claims a circulation of over 25 million. By the time a rebuttal comes

out, the Lilliputian magazine is once more trying to pin down another Bureau of Employment Security Gulliver with thin, weak threads of truth.

AN ACTION PLAN FOR THE DEVELOPMENT OF THE NATION'S DEPRESSED REGIONS—AMENDMENT (AMENDMENT NO. 2)

Mr. NELSON. Mr. President, I send to the desk an amendment intended to be proposed by me to the bill (S. 3) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region. I ask that the amendment be referred to the Committee on Public Works and be printed. I also ask unanimous consent that the amendment be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

This amendment is designed to authorize immediate planning for up to six other regions in the country with problems similar to those of Appalachia.

The legislation would establish a Federal Action Plan Administrator with authority to designate regions for immediate development planning.

Up to \$2.5 million for any one region could be used for the development of an action plan, to be completed within 18 months by Federal and State representatives.

No more than \$10 million could be spent on the total program.

Franklin D. Roosevelt, Jr., who prepared the Appalachian legislation, told the House Public Works Committee last year that plans for other regions could be completed within 6 months if they were authorized.

Only regions which meet the general criteria established by the Senate in passage of last year's Appalachian legislation would be eligible for action plan money. To receive such planning funds, the region must: Lag substantially behind the rest of the Nation in economic growth; have an uneven past development which has not permitted self-sustaining growth; have demonstrated that local people and governments are prepared for immediate planning and development; and have common problems which offer hope of a regional solution.

In addition to the upper Great Lakes area, the standards in this bill might be met by the Ozarks; the northwestern mountain regions; the upper New England area; the desert high plateau corner of Utah, Colorado, New Mexico, and Arizona, and parts of the Deep South.

The PRESIDING OFFICER. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will be printed in the RECORD, and will lie on the desk, as requested.

The amendment was referred to the Committee on Public Works, as follows:

On page 1, strike out lines 3 and 4 and insert in lieu thereof the following:

"CHAPTER 1—APPALACHIAN REGIONAL DEVELOPMENT

MENT

"Short Title

"SECTION 1. This chapter may be cited as the 'Appalachian Regional Development Act

of 1965', and all references in this chapter to this Act shall be held to refer to this chapter."

At the end of the bill add the following new chapter:

"CHAPTER 2—REGIONAL ACTION PLANNING

"Title V—Regional Action Planning Act of 1965

"Short Title

"SEC. 501. This chapter may be cited as the 'Regional Action Planning Act of 1965'.

"Statement of Purpose

"SEC. 502. The Congress recognizes that many regions of the country, while abundant in natural resources and rich in potential, lag behind the Nation in economic growth so that the people of such regions have not shared properly in the Nation's prosperity. Often a region's uneven past development, with historical reliance on a few basic industries and marginal agriculture, have failed to provide the economic base vital as a prerequisite for vigorous self-sustaining growth. In some cases the uneven distribution of productive Federal expenditures has left regions at a comparative disadvantage. Nonetheless, in many areas of the country the State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution. It is the purpose of this chapter to assist such regions in meeting their special problems and promoting their economic development by helping to develop policies and programs for Federal, State, and local efforts essential to an attack upon common problems through a coordinated and concerted regional approach.

"Regional Action Plan Administrator

"SEC. 503. (a) The provisions of this chapter shall be administered by a Regional Action Plan Administrator (hereinafter referred to as the 'Administrator') in the Executive Office of the President. The Administrator shall be appointed by and with the advice and consent of the Senate and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule.

"(b) The Administrator may, subject to the civil service and classification laws, appoint and fix the compensation of such officers and employees as may be necessary to carry out the provisions of this chapter.

"Determination of Regions

"SEC. 504. (a) The Administrator shall designate areas representing two or more contiguous States as a region for Federal-regional action planning pursuant to this chapter upon determining that—

"(1) such region lags substantially behind the rest of the Nation in its economic growth, and its people have not shared properly in the Nation's prosperity;

"(2) such region's uneven past development has failed to provide the economic base that is a vital prerequisite for vigorous self-sustaining growth;

"(3) State and local governments and the people of the region understand their problems and have been and are prepared to work purposefully toward their solution; and

"(4) region-wide development is feasible, desirable, and urgently needed.

"(b) The Administrator may designate not to exceed six regions pursuant to subsection (a).

"(c) The Administrator shall assign an appropriate department or agency of the Federal Government the responsibility for developing a Federal-regional action plan pursuant to this chapter for each region established pursuant to subsection (a). Such plan shall be developed with the participation of other Federal departments and agencies which in the Administrator's opinion can make a substantial contribution, and with representatives from each State involved.